



A Strong Domestic Market for Canadian Performing Arts

Written Submission for the Pre-Budget Consultations in Advance of the Fall 2025 Federal Budget.

By CAPACOA (Canadian Association for Performing Arts / Association Canadienne des Organismes Artistiques)

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Summary of recommendations

1. That the government make permanent the supplementary investments of \$15.5 million per year in the Canada Arts Presentation Fund (CAPF) and \$7 million per year in the Building Communities Through Arts and Heritage (BCAH) program. These supplementary funds were first announced in the 2019 budget and subsequently extended and expanded in the 2021, 2023 and 2024 budgets.
2. That the government permanently allocate at least 1% of its overall spending towards arts, culture, and heritage. To achieve this for the 2025-26 fiscal year, the Government should increase its allocations by \$330 million, via:
 - \$140 million to the Canada Council for the Arts
 - \$190 million to the Department of Canadian Heritage

Economic and social context

The live performance sector¹ contributed \$3.9 billion to the Canadian Gross Domestic Product in 2024. In constant dollars, this is more or less the same as in 2019 (+1.8%).²

This slow economic recovery/growth is quite atypical for the live performance sector. Between 2010 and 2019, the live performance GDP outgrew the Canadian economy, with an average annual nominal GDP growth of 5.9%.³

Why is the sector not picking up momentum?

Many economic, social, algorithmic and cultural policy factors can explain the live performance sector's slower-than-usual growth:

- Rising costs;
- Hesitant audience;⁴
- Search engine's preference for foreign-based databases over Canadian websites;⁵
- Unpredictable funding.

CAPACOA's pre-budget recommendations address the last challenge.

They also align with four of the federal government's priorities, as stated in the Prime Minister's mandate letters.

¹ The live performance domain is contained within [NAICS 711 "Performing arts, spectator sports and related industries"](#). It includes the performing arts events and live concerts, as well as multidisciplinary events such as celebrations and festivals. The domain also includes an estimated 535 facilities dedicated to live performance such as theatres or concert halls (based on Statistics Canada, Canadian Business Counts, with employees, June and December 2023), but excludes 821 publicly-owned presentation and performances (based on Statistics Canada, Canada's Core Public Infrastructure Survey, 2020). Statistics Canada's Supply and Use tables (Table 36-10-0478-01) provide a sense of the scope of live presentation activities: in 2019, revenues from admissions to live performing arts performances in Canada totaled \$3.8 billion. This represented GST/HST revenues of \$190 million for the federal government alone.

² Statistics Canada, [Table 36-10-0652-01 National culture and sport indicators by domain and sub-domain](#).

³ Statistics Canada, [Table 36-10-0452-01 Culture and sport indicators by domain and sub-domain, by province and territory, product perspective](#).

By comparison, Canada's nominal GDP grew at an annual rate of 4.3% over the same period. Statistics Canada. Table 36-10-0699-01 Gross domestic product, expenditure-based, Canada, annual (x 1,000,000).

⁴ O' Kane, Josh, "[State of the Arts: Canada's cultural industry is feeling the squeeze](#)", *The Globe and Mail*, June 7, 2024, <https://www.theglobeandmail.com/arts/article-state-of-the-arts-canadas-cultural-industry-is-feeling-the-squeeze/>.

⁵ Hayes, Dessa, and Morgan Pannunzio, "Google's Updated Guidelines for Event Structured Data: What It Means for You", Artsdata, June 10, 2025, <https://www.artsdata.ca/en/news/googles-updated-guidelines>.

Detailed recommendations

Main recommendation

1. That the government make permanent the supplementary investments of \$15.5 million per year in the Canada Arts Presentation Fund (CAPF) and \$7 million per year in the Building Communities Through Arts and Heritage (BCAH) program. These supplementary funds were first announced in the 2019 budget and subsequently extended and expanded in the 2021, 2023 and 2024 budgets.

Program	2019-2020 Base Funding (per year)	2019 Supplementary Funding (per year)	2024 Supplementary Funding (per year)	Permanent base funding in 2026-2027
Canada Arts Presentation Fund	\$32.5 M	\$8.0 M	\$8.0 M + \$7.5 M = \$15.5 M	\$32.5 M + \$15.5 M = \$48.0 M
Building Communities through Arts and Heritage	\$17.7 M	\$7.0 M	No change (supplementary funds were extended in the 2023 budget)	\$17.7 M + \$7.0 M = \$24.7 M
<i>Total</i>	<i>\$50.2 M</i>	<i>\$15 M</i>	<i>\$22.5 M</i>	<i>\$72.7 M</i>

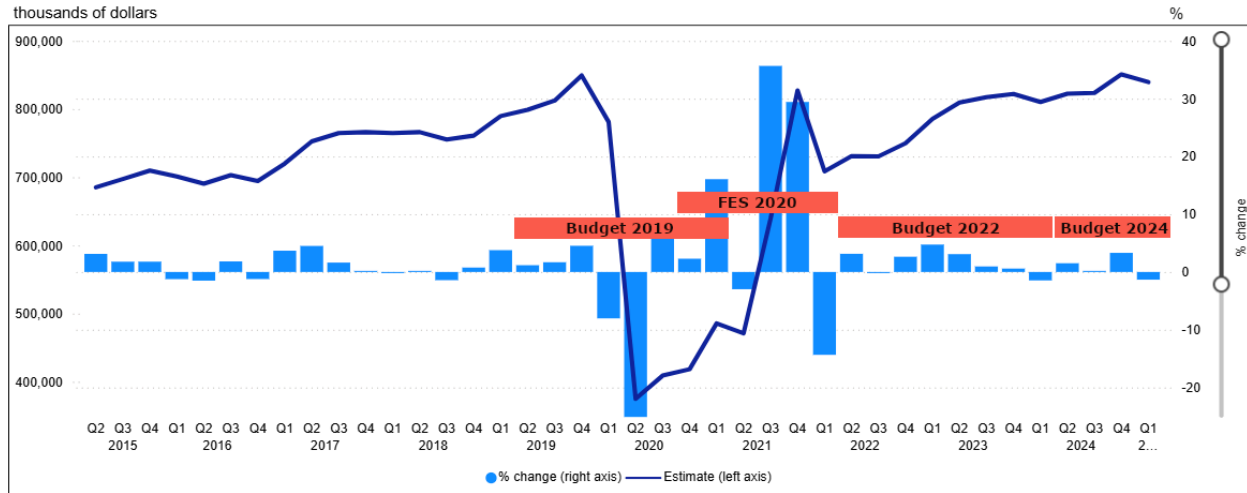
Supplementary funding for the Canada Arts Presentation Fund (CAPF) and the Building Communities Through Arts and Heritage (BCAH) program was first announced in the 2019 federal budget. This initial investment was for a two-year period only. The supplementary investments were extended through the Fall Economic Statement 2020, Budget 2021, and budget 2023, *but always on a short-term basis*.

As a consequence, the supplementary funds for the CAPF inadvertently sunsetted on March 31, 2024, forcing more than 700 client organizations to scale down their programming while bracing for cuts of up to 50%. Budget 2024 offered a positive turn of events when it announced yet another extension and additional funding. However, that was too late: programming and employment cutbacks had already been implemented by then.

The following chart illustrates how supplemental funding announcements for the CAPF and their sunsettings are associated with fluctuations in the live performance GDP. While many other factors influenced GDP, the positive impact of the 2019 investment and the negative effect of the March 2024 sunseting are clearly visible in the GDP line.

Live performance

Real gross domestic product, 2017 constant price
thousands of dollars



Sources: Statistics Canada, Table 36-10-0652-01, Federal Budget 2019, Fall Economic Statement 2020, Budget 2022, Budget 2024. CAPF supplemental funding overlays by CAPACOA.

Short-term investments and last-minute extensions are extremely disruptive for the performing arts touring and presenting industry.

Summer festivals are taking place within months of the beginning of the federal fiscal year. Last-minute extensions place them in an extremely difficult situation. They must either proceed with the assumption that supplementary funding will be extended, at risk of running major deficits if it isn't; or else they must exercise financial restraint, at the risk of under-delivering, should supplementary funding be extended *in extremis*.

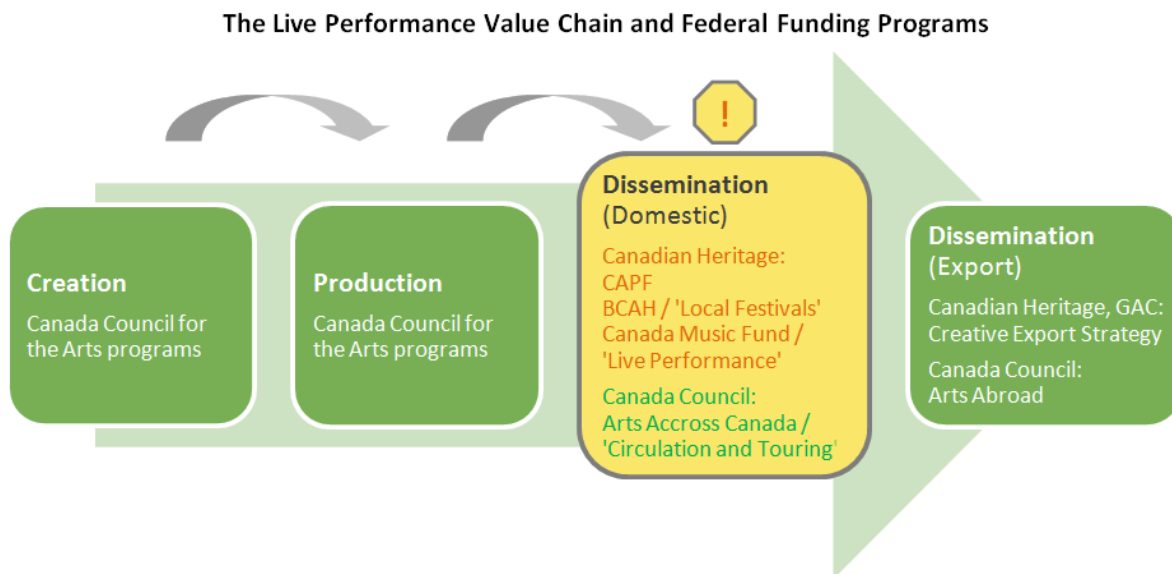
Performing arts centres, which present touring performances through the fall and winter, are also impacted by short-term, unpredictable funding. While smaller and local acts may have a relatively fast turn-around, the life cycle for the tour of a fully staged theatre, dance or circus production spans two to three years (and sometimes more):

- Year 1: Artists and their representatives (i.e. touring agent) participate in industry conferences to "sell" their show to presenting organizations;
- Year 2: Presenting organizations collaborate and coordinate with touring agents to negotiate and organize a financially viable and environmentally conscious tour;
- Year 3: Presenting organizations promote the show and sell tickets – touring artists connect with audiences in communities large and small.

Two-year funding investments simply do not provide enough leeway for these kinds of larger, higher-value tours to take off.

Alignment with the federal government's priorities

- CAPF and BCAH contribute to **interprovincial trade**.
 - CAPF helps performing arts organizations present touring artists and companies from other provinces and territories;
 - BCAH supports festivals that attract both in-province and out-of-province tourists.
- CAPF is also instrumental in building **collaboration with trade partners and allies around the world**.
 - In conjunction with the Creative Export Strategy, CAPF also helps performing arts organizations present international artists from key markets for Canada's economic diversification, including Australia, New Zealand and Nordic countries.
- Programs that support the dissemination of the performing arts, such as CAPF and BCAH, improve productivity in the live performance sector and therefore contribute to **optimizing government spending** in the arts.
 - Touring activities in the domestic market make it possible to amortize creation and production efforts over a greater number of performances and to generate more admissions revenues.
 - As articulated in CAPACOA's previous pre-budget submissions and in the 2018 Standing Committee on Finance's pre-budget report, a strong domestic market is also "launch pad for Canadian performing arts productions on international markets".⁶



- Performing arts events, concerts and festivals featuring Canadian talent reinforce **Canadian identity and sovereignty**.
 - Without federal support towards these activities, the Canadian live performance market runs the risk of being dominated by U.S. musicals and music artists.

⁶ Standing Committee on Finance, [Cultivating Competitiveness: Helping Canadians Succeed](#), 2018.

Other recommendation endorsed by CAPACOA

We see CAPACOA's main recommendation as aligned with and fitting within the Canadian Arts Coalition's main recommendation:

- 2. That the government of Canada permanently allocate at least 1% of its overall spending towards arts, culture, and heritage. To achieve this for the 2025-26 fiscal year, the Government should increase its allocations by \$330 million, via::**
 - a. \$140 million to the Canada Council for the Arts**
 - b. \$190 million to the Department of Canadian Heritage**

The \$22.5 million recommended by CAPACOA for CAPF and BCAH represents 11.8% of the \$190 million requested by the Canadian Arts Coalition for the Department of Canadian Heritage.

About CAPACOA

The Canadian Association for the Performing Arts / l'Association canadienne des organismes artistiques (CAPACOA) is a national arts service organization for the performing arts touring and presenting community. CAPACOA represents 190 professional for-profit and not-for-profit presenters, festivals, presenter networks, artistic companies, agents, managers and other stakeholders working across the presenting and touring sector in Canada. Collectively, our network members represent nearly 2000 professional and volunteer organizations, associations and companies. CAPACOA's mission is to champion a flourishing national performing arts community.